



**North Carolina Department of Health and Human Services**

Michael F. Easley, Governor

Carmen Hooker Odom, Secretary

**Division of Mental Health, Developmental  
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L. Allen Dobson, Jr. MD, Assistant Secretary  
for Health Policy and Medical Assistance

February 22, 2006

**MEMORANDUM**

TO: Daniel Hahn  
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Daniel Jones  
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FROM: Allen Dobson, MD *LAD mb*  
Mike Moseley *mm*

RE: Request for Applications

On February 16, 2006, Secretary Carmen Hooker Odom issued a memo to all applicants who submitted proposals to conduct utilization review for Medicaid and state funds, CAP-MR/DD approval and after hours triage and referral functions. As referenced in the memo, DMA has attached the applicable requirements from the statewide UR vendor Request for Proposals to the revised Request for Application (RFA) (attached). Applying these deliverables consistently will ensure uniformity across the state.

It is the intent of the Department of Health and Human Services to select Local Management Entities to perform these functions in a fair and equitable manner. This communication identifies the composition of the joint DMA/DMH review committee, and



the evaluation criteria to be used to develop the narrative rating on each application that exceeds minimal mandatory requirements.

Although the Feb 16th communication noted that no additional information was required regarding STR capacity, please note that two edits have been made to the section(s) (#8.3 and 8.4) of the application. These edits may require you to submit additional or different information as part of the RFA. Additional information has been provided and clarifications have been made to many areas of the Application. The Department of Health and Human Services (the Department), Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) and the Division of Medical Assistance (DMA) (collectively as the State) are requesting that the LME's submit a new application in response to this Request for Application (RFA). However, if no new/revised application is submitted, your application will be reviewed based on the submission made on or before January 10, 2006; applying the criteria referenced in this memo and the revised RFA.

All responses to this RFA should be received **no later than March 7, 2006** to the address noted in the attached application.

Please contact Dick Oliver if you have questions regarding this information.

cc: Secretary Carmen Hooker Odom  
Allen Dobson, MD  
DMH/DD/SAS Executive Leadership Team  
DMH/DD/SAS Management Leadership Team  
Mark Benton  
William Lawrence, MD  
DMA Assistant Directors  
David Womble  
Roger Odom  
Dick Oliver

Attachment



## Evaluation Plan for Mental Health, Developmental Disabilities and Substance Abuse Services Utilization Review Services conducted by Local Management Entities (LME).

All Applications will be reviewed by an evaluation committee consisting of three (3) committee members from DMH/DD/SAS and three (3) committee members from DMA. This evaluation committee will evaluate all submitted applications by the LME's using the following procedures:

1. Applications will be received and reviewed by the committee members in random order.
2. The entire committee will read and evaluate each application to assure that **minimal acceptance criteria** standards in the RFA are met or exceeded.
3. The committee will set aside all proposals not meeting **minimal mandatory criteria** and eliminate those applications from further review. The evaluation committee will list deficient items of any application set aside. Minimal mandatory criteria as stated in the application are as follows:
  - a. Compliance with Section 1.4, UM/UR Staffing, of the RFA.
  - b. Compliance with Section 1.4. Bullet # 6 of the RFA. The UR Department must have sufficient staff and expertise to support the functions described in the plan. The Applicant shall detail the numbers and types of different professional staff that will be used to carry out the performance standards of this contract. The professional who will be assigned the responsibility for operational performance under this contract will be specified together with his/her resume. The psychiatrists who will be assigned to this contract and who will actually make the medical decisions must be specified and resumes' included. The Divisions will review and approve or disapprove of each proposed staff member, unilaterally and in writing, prior to the initiation of the contract.
  - c. Compliance with Section 1.5.1 of the RFA – The LME certifies that it will comply with all Medicaid requirements for notification and responsibilities during the recipient appeals process. Applicant must demonstrate the ability to implement and conduct appeals processes related to provider services authorized under state allocated funds and those services authorized under Medicaid funds in the entire coverage area assigned to the LME.
  - d. Compliance with Section 4.1 of the RFA – The LME shall be able to accurately interpret and apply the UR guidelines for State and State-allocated federal funds developed by each LME for whom it has UR responsibility and report on UR activity for State funds to the other LMEs which it serves on at least a weekly basis.



- e. Compliance with Section 7.1 of the RFA – The LME shall maintain sufficient staff and expertise to support approval activities for all of the LMEs for which it has UR responsibility. The approvers must have at a minimum a bachelors degree in a human service field and a minimum of two years of experience with the developmental disabilities population. In addition, the LME must ensure that individuals providing local approval for CAP-MR/DD services minimally demonstrate competency in at least the following areas:
  - 1. person centered planning
  - 2. authorization of specific waiver services
  - 3. application of standardized, statewide utilization review guidelines and process established by the Division of MH/DD/SAS, and approved by the Division of Medical Assistance
- f. Compliance with Section 7.9 of the RFA. The LME must submit a process for submitting for review to the Divisions, Plans of Care approved at the first and second local level review that project annual cost of \$85,000 or greater.
- g. Compliance with Section 8.4 of the RFA, Telephonic Access, These staff (telephonic access line staff) shall be supervised by a masters level clinician.
- h. Technical compliance –
  - 1. Section 5.0 of the revised RFA. – Subsections 5.1 through 5.14 - Receipt, transmission, and maintenance of documents and data



4. Applications meeting **minimal mandatory criteria** will be further reviewed by the committee using the criteria stated in the revised RFA. The evaluation committee will review all items submitted as part of the application in accordance with the following order of importance:
- a. Staffing for project. – RFA Section 1.4 - LME shall clearly show current staffing levels, staffing levels projected to meet the needs of the entire alliance, appropriateness of staffing levels (correct amount of staff in each category of operations – i.e.: call center staff, UR nursing staff), and qualifications and credentials of staff in professional, operations and administrative areas.
  - b. Understanding of the Scope of Work to include RFA Sections 1.2, 1.5, 2.0, 3.0, 7.0, 8.0,
  - c. Firewall – Complete plan and current status of divesture in all direct care services. Section 3.0 of the RFA.
  - d. Technical systems requirements –
    - 1. Section 5.0 including Subsections 5.1 through 5.14 Receipt, transmission, and maintenance of documents and data.
  - e. The LME response regarding compliance with DHHS endorsement and payment policies.
  - f. All other requirements contained in the RFA not covered in a-e, above.
  - g. Cost – Cost will be reviewed between LME applications where the LMEs are located within the same alliance. The evaluation committee will evaluate the submitted cost and cost will be used as an evaluation criteria where technical criteria a-f, above are determined to be equal. The Divisions reserve the right to negotiate prices should the maximum allowable amount for any alliance area be proposed. The maximum cost should not exceed the following amounts by alliance:



<b>Alliance</b>	<b>Maximum Bid for UR/STR Functions</b>
Cumberland	
Johnston	
Southeastern Regional	
Southeastern Center	
Onslow-Carteret*	
<b>Max Amount for Alliance</b>	<b>4,200,000</b>
<b>Sandhills</b>	<b>***N/A</b>
Smoky	
New River	
<b>Max Amount for Alliance</b>	<b>1,280,000</b>
Mecklenburg	
Pathways	
<b>Max Amount for Alliance</b>	<b>4,000,000</b>
Guilford	
Centerpoint	
<b>Max Amount for Alliance</b>	<b>3,000,000</b>
Neuse *	
Eastpointe	
Pitt	
ENWG	
Roanoke-Chowan	
<b>Max Amount for Alliance</b>	<b>3,000,000</b>
<b>Western Highlands</b>	<b>***N/A</b>
Durham	
Five County	
OPC	
Alamance-Caswell/Rockingham	
<b>Max Amount for Alliance</b>	<b>3,300,000</b>
Albemarle	
Tideland	
<b>Max Amount for Alliance</b>	<b>800,000</b>
<b>Piedmont</b>	<b>***N/A</b>
<b>Wake</b>	<b>***N/A</b>
Crossroads	
Foothills	
Catawba	
<b>Max Amount for Alliance</b>	<b>2,900,000**</b>



5. The evaluation committee will rank the applications in order of compliance with the RFA and prepare a final narrative summary with recommendations for award of no more than one contract per alliance area.

